

have historically been filled by career public servants.

I know the goal of this provision is to enhance IG independence, but there are better ways to protect the independence of these IGs than by replacing them with Presidential appointees.

We should do it more effectively and make sure that all agency-appointed IGs are more independent, not just the five singled out in the bill. That is why I am offering this amendment. The Grassley-McCaskill amendment simply applies the same sort of protections that have worked for one of the 30 agency appointed IGs to the other 29 agency-appointed IGs. The Postal Service inspector general enjoys enhanced protections and my amendment would extend those protections more broadly.

Our amendment would strike section 989B of the bill and replace it with a system that will bring true reform, independence, and accountability.

It would make the IGs report to the entire bipartisan board or commission heading their agency, and the IG could only be removed for cause by a  $\frac{2}{3}$  majority vote of the bipartisan board or commission. This would ensure that should an agency make a political attempt to remove an IG, there would be the possibility of dissent among the board or commission members.

These are serious protections from political interference currently enjoyed by the Postal Service IG, but it also allows an IG to be held accountable when necessary. These same provisions have worked for the Postal Service inspector general and it is time to extend them to all the agency-appointed IGs.

It also holds IG's accountable by requiring that they disclose the results of all their peer reviews in the semi-annual reports to Congress, thereby making them public.

This amendment strikes the right balance, improving both independence and accountability of all DFE-IGs. In fact, even the White House has gone on the record telling the Center for Public Integrity, "the administration does not support in any way politicizing the function of the Inspector General and we have not proposed these changes" in the Dodd-Lincoln substitute.

The amendment is supported by the nonpartisan Project on Government Oversight and has bipartisan support from members on the committee with jurisdiction over the IG Act. This important amendment deserves an up-or-down vote at the appropriate time.

In summary, our amendment would correct serious problems in section 989B of the Dodd-Lincoln substitute. This section of the bill would change the way that five inspectors general are hired and fired. Currently, these five inspectors general are hired and fired by the agency they oversee, but this section of the bill would put the President in charge of hiring and firing them. This provision was included because sponsors of the legislation believed that making inspectors general

presidentially appointed would make them more independent.

However, rather than strengthening oversight over our financial institutions with more independent watchdogs, this section could introduce politics into what has traditionally been career, nonpolitical positions. It is important to ensure that this bill does not then hurt the oversight of these designated Federal regulatory agencies by the inspectors general.

I think our amendment corrects the potential to create long-term vacancies at five important regulatory agencies that, quite frankly, cannot afford to have these sorts of vacancies and not have the proper oversight.

The amendment provides true transparency, and with transparency you get accountability among inspectors general. We are going to bring about real independence—or maybe it would be better for me to say maintain the independence these folks have shown already.

We should take steps to make all agency-appointed IGs more independent, not just the five addressed in the bill. These five should not be singled out. The amendment before us makes the IGs report to the entire bipartisan board or commission heading their agency and requires a two-thirds vote to remove an inspector general.

I will not speak about the peer review Senator MCCASKILL has already spoken about. But I think it is important we have semiannual reports to Congress on the effectiveness of the people in their various positions. By reporting to the entire bipartisan board or commission rather than just the chairs, these IGs will be further insulated from political influence. As a consequence, they will be more independent. So in the final analysis, I think this brings the right balance to the independence of it.

As I said, this amendment is supported by the nonpartisan Project On Government Oversight. Because it comes from another committee of jurisdiction, I am glad that through Senator MCCASKILL and other people on the committee, we have bipartisan support from the committee of jurisdiction.

This is an important amendment and deserves an up-or-down vote at the appropriate time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, first, let me commend my colleagues from Iowa and Missouri for raising an issue of this importance. Senator MENENDEZ of our committee, the Senator from New Jersey, has an interest in the subject matter, I explain to my good friends and colleagues from Iowa and Missouri, and he may want to be heard on this amendment.

I understand the purpose and the intent, and in many respects I agree with my colleagues from Iowa and Missouri. But in fairness to my colleague from

New Jersey, I wish to give him a chance to respond, as a member of our Banking Committee. So if we could just pause for a few minutes and give him an opportunity to come to the floor and say why he believes the existing language in the bill has merit, I would appreciate that.

So I wish to suggest the absence of a quorum and give him a chance to come on over and make his case. Then, hopefully, we can get to a vote. In the meantime, I do not know if Senator BINGAMAN is here or others are here who would like to be heard on the Bingaman amendment and the side-by-side I think being offered as well. That would certainly be a useful use of the time. People could go and discuss that particular proposition while we are waiting to hear from Senator MENENDEZ.

So I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I am going to speak for a few moments about the amendment I just referenced, amendment No. 4109, which was filed and to which there has now been an objection. As I have indicated to my colleague, objections run both ways. I could sit here and object as well to most things that are going to go on here, if we have a gatekeeper or several gatekeepers who decide that two amendments that would get a little tougher on Wall Street are amendments they don't want to vote on; if they don't want to countenance an amendment that would tighten the strings just a little bit.

Let me speak about what this amendment is because it sounds like a foreign language, "naked credit default swaps." "Credit default swaps" by itself sounds like a foreign language. The reason is they haven't been around all that long. This is an exotic financial instrument that was created to allow certain things to happen on Wall Street between banks and big hedge funds and so on. If we have not yet at this point understood the danger of this unbelievable orgy of speculation in credit default swaps—and especially what are called naked credit default swaps—then I guess we are destined to never fully understand what happened, and that is fine. Maybe some people don't want to know what happened.

A naked credit default swap is pretty simple. Someone out there needs some money, so they issue bonds. Someone else buys the bonds. Now they hold the bonds and the person who issued them has the money. The person who bought the bonds wants to make sure the person who issued the bonds won't default, so they want to buy an insurance policy from someone else, a credit default